

**CORRECTED FISCAL MEMORANDUM
SB 2720 – HB 3410**

April 25, 2008

SUMMARY OF AMENDMENT (015055, 017559): Amendment 015055 deletes the language of the original bill; adds new language requiring \$15 of the handgun carry permit application fee be allocated to the sheriff of the county where the applicant resides for the purpose of verifying the truthfulness of the applicant's answers as provided in the application. Amendment 017559 requires the cost for making payments to sheriffs be funded from the budget of the Department of Finance and Administration.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease State Expenditures – Not Significant

Decrease Local Expenditures – Not Significant

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

On April 23, 2008, we issued a fiscal memorandum for this bill as amended indicating the following estimated fiscal impact:

Decrease State Revenue - \$391,100/Earmarked to the Department of Safety for offsetting costs of the handgun carry permit program

Increase State Expenditures – Less than \$5,700/Department of Finance and Administration, Division of Accounts

Increase Local Revenue - \$391,100

Based on new information received from the Department of Safety (DOS) and the Department of Finance and Administration (F&A), the fiscal impact for the bill as amended is estimated as follows:

SB 2720 – HB 3410 (CORRECTED)

(CORRECTED)

**Decrease State Revenue - \$391,100/Earmarked to the Department of
Safety for offsetting costs of the
handgun carry permit program**

Increase State Expenditures – Not Significant


Increase Local Revenue - \$391,100

Assumptions applied to amendment:

- Fees obtained from handgun carry permit renewals are excluded.
- According to DOS, the number of new handgun carry permit applications is estimated to be 26,075 per year.
- The decrease of state revenue is estimated to be \$391,100 (26,075 new permits x \$15 allocation to county sheriffs = \$391,125) per year. Therefore, the corresponding increase to local government revenue is estimated to be \$391,100 per year.
- According to DOS, there is sufficient recurring revenue generated by the handgun application permit program that reducing application fee revenue by \$391,100 per year will not require an offsetting reduction of resources to the Department.
- Based on information provided by F&A and DOS, any increase to state expenditures for processing payments to sheriffs is estimated to be not significant.
- Fifteen dollars of the total application fee is earmarked under current law for the Tennessee Bureau of Investigation (TBI) for updating and maintaining its fingerprint criminal history data base. This allocation to TBI would remain unchanged.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/rnc